

EX PARTE OR LATE FILED

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FILE NUMBER 45737-006

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March 29, 1995

RECEIVED

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BY HAND

William F. Caton, Acting Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: Ex Parte Filing
Petition of the State of California, PR File No. 94-SP3
Implementation of Sections 3(n) & 332 of the
Communication Act, GN Docket No. 93-252
Equal Access and Interconnection Obligations
Pertaining to Commercial Mobile Radio Services,
CC Docket No. 94-54

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

The purpose of this letter is to provide notice that David Nelson and Kevin McAllister of the California Resellers Association, Inc. ("CRA"), Harry Midgley, an Engineering Consultant for CRA, Roger Boivin and Ray Ramirez of Ericsson, Inc., and undersigned counsel met with the following members of the Commission and the staff with respect to the above-referenced dockets: (1) Ruth Milkman, Legal Assistant to the Chairman; (2) Commissioner Barrett, his Senior Legal Advisor, Keith Townsend, and his Legal Assistant, Lisa Smith; (3) Commissioner Ness and her Legal Advisors, David A. Siddall and Mary P. McManus; (4) Commissioner Quello; (5) Commissioner Chong and her Special Advisor, Jill Lockett (although the discussions with Commissioner Chong and Ms. Lockett did not include any reference to the State of California's Petition); (6) John Cimko, Chief of the Policy Division of the Wireless Telecommunications Bureau, and Nancy Boocker, a member of his staff; (7) Michael Katz, Chief Economist; and (8) Gregory Rosston, Judith Argentieri, Barbara Esbin and Florence Seltzer of the Wireless Telecommunications Bureau and the Office of Plans and Policy. Attached are some documents that were distributed at some but not all of the meetings.

No. of Copies rec'd 081
List A B C D E

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KECK, MAHIN & CATE

William F. Caton, Acting Secretary
March 29, 1995
Page 2

In addition, the attached letters were sent to Mr. Siddall and Mr. Rosston to address some of the issues discussed at the meetings referenced in the prior paragraph.

I would appreciate it if you could file the original and one copy of this letter in the above-referenced files. The second copy should be date-stamped for return to me.

Sincerely,

KECK, MAHIN & CATE

Attorneys for Cellular
Resellers Association, Inc.,
Cellular Service, Inc. &
ComTech Mobile Telephone
Company

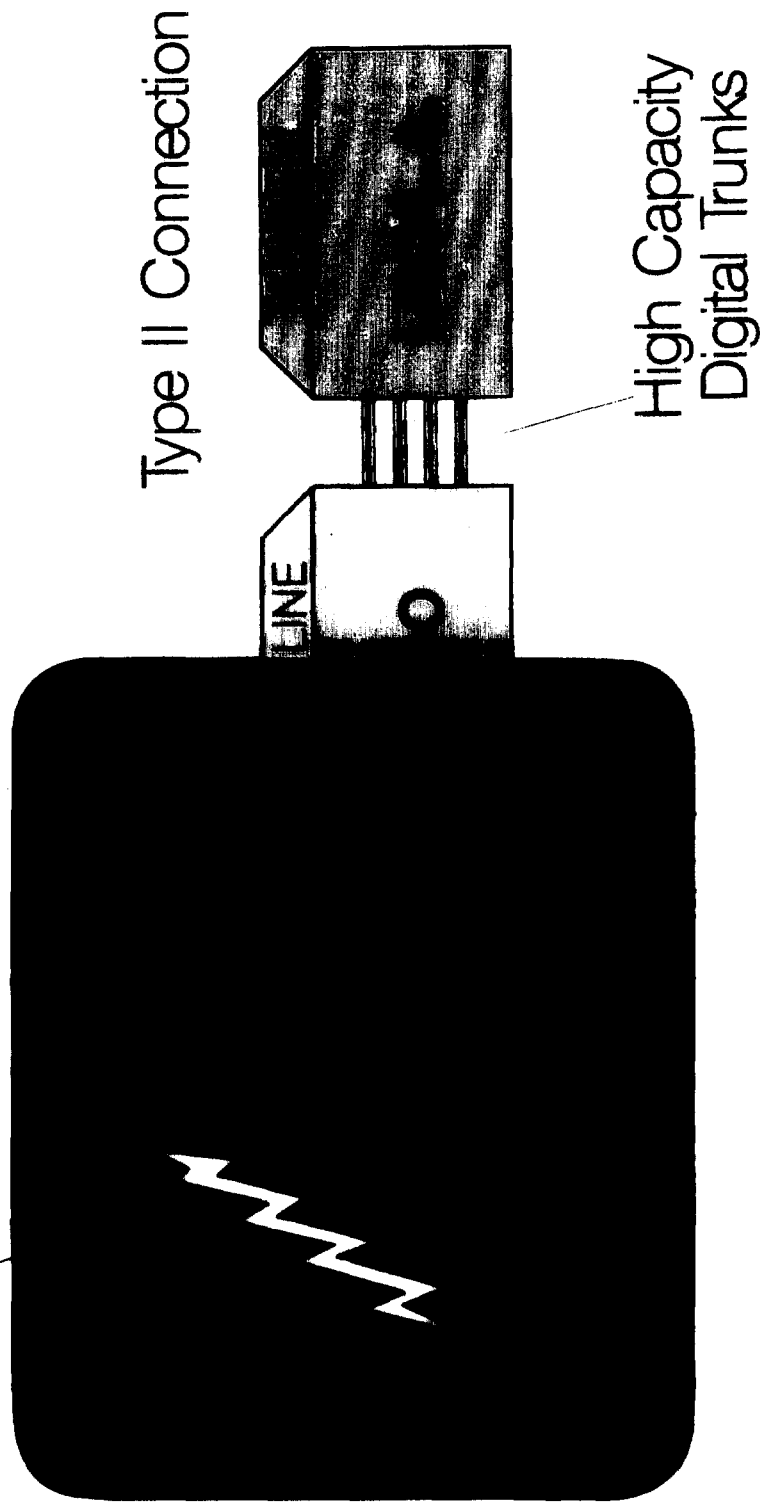
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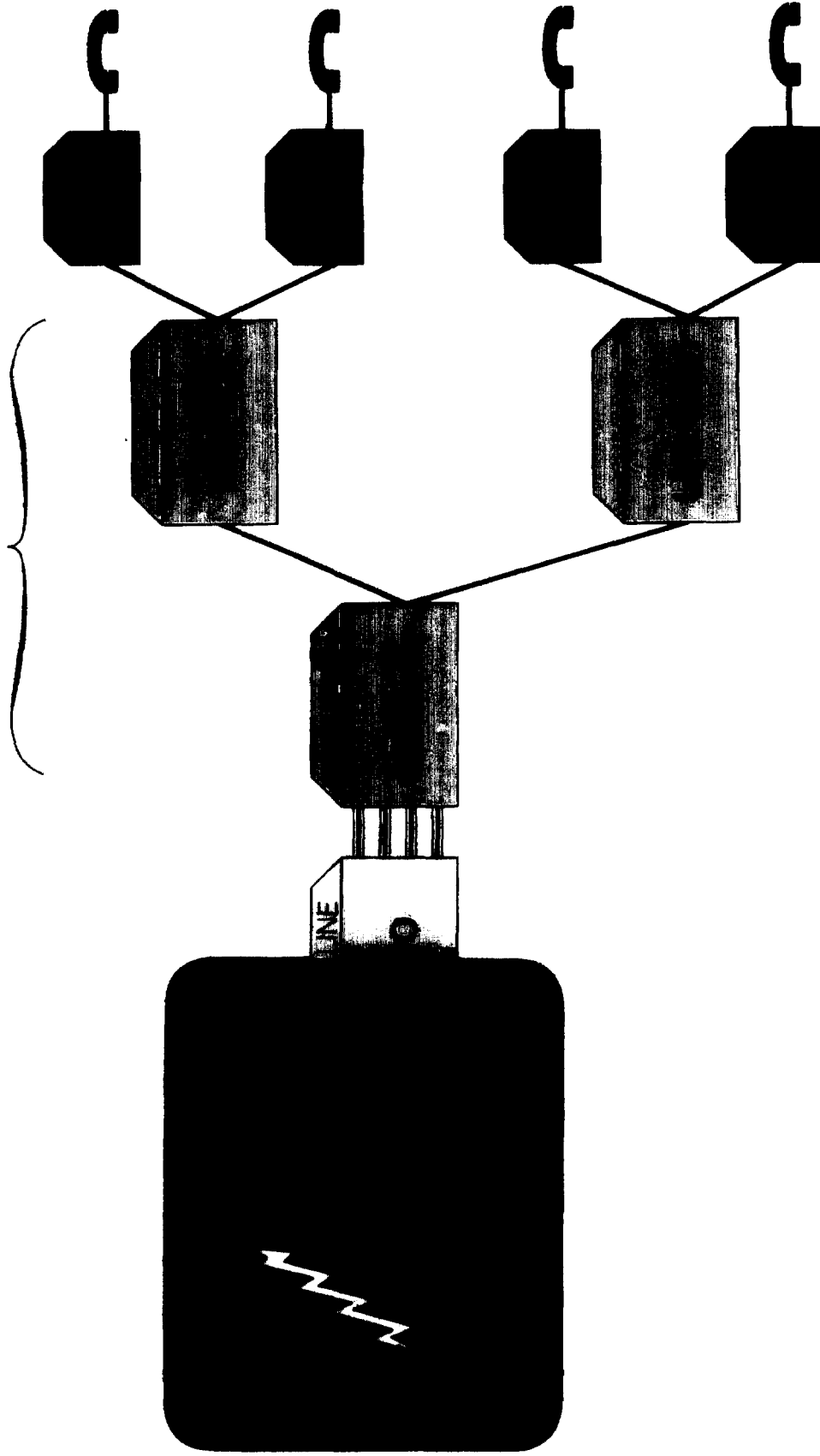
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cc: Honorable James H. Quello
Honorable Andrew C. Barrett
Honorable Susan Ness
Honorable Rachelle Chong
Ruth Milkman
Keith Townsend
Lisa Smith
David A. Siddall
Mary P. McManus
Jill Lockett
John Cimko
Nancy Boocker
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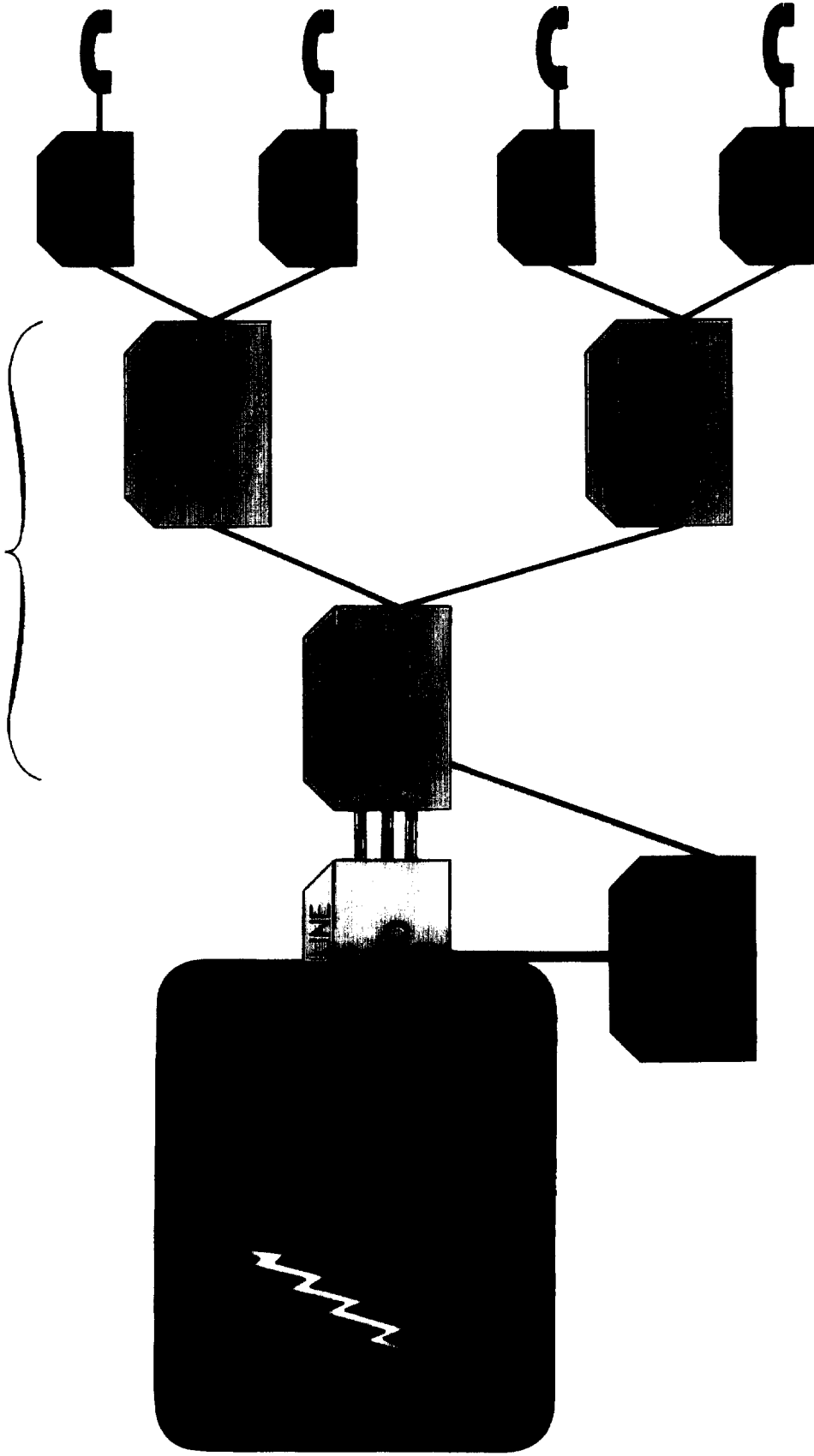
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LOCAL EXCHANGE NETWORK

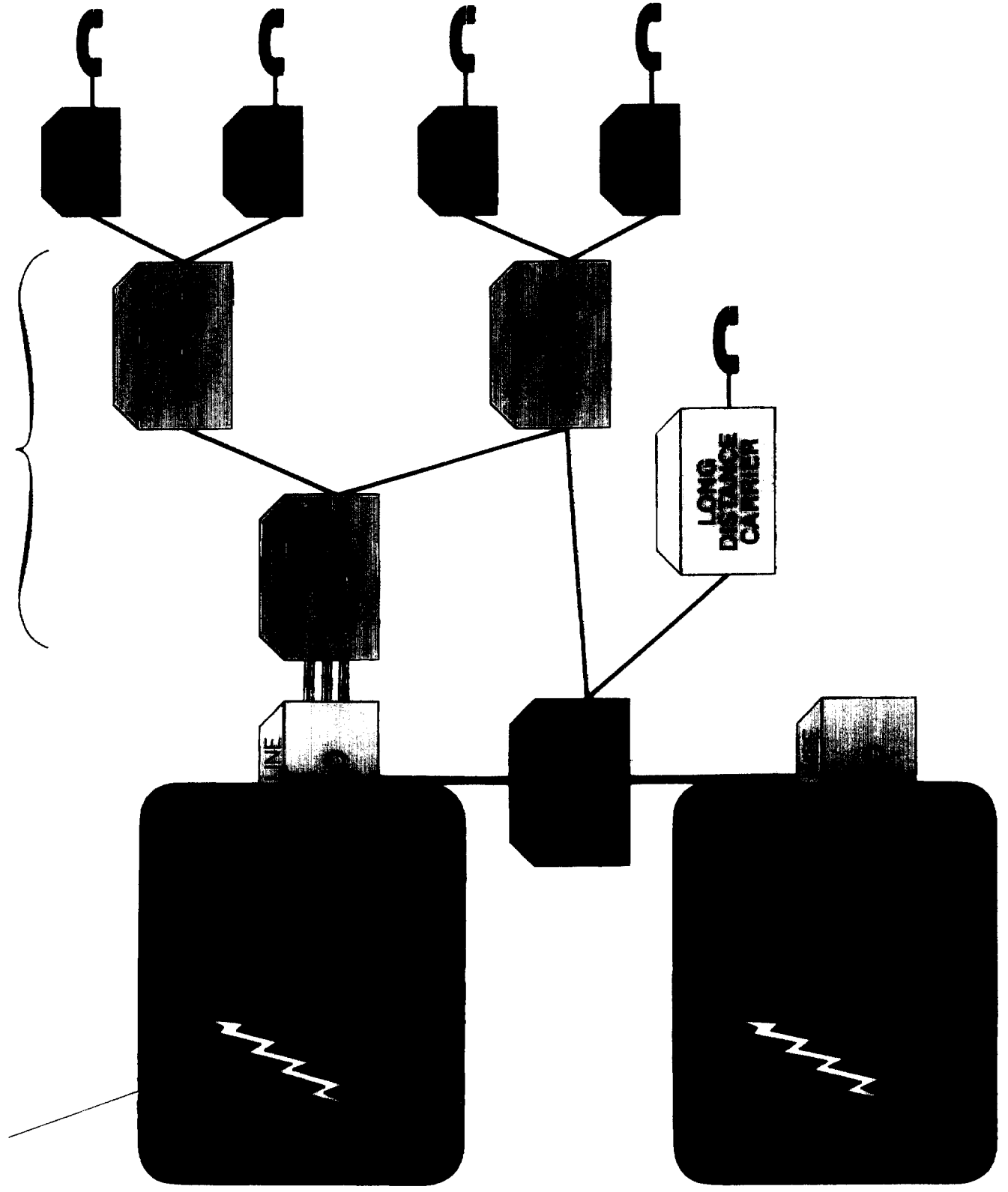


LOCAL EXCHANGE NETWORK



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LOCAL EXCHANGE NETWORK



SAN DIEGO

Cellular Service- San Diego Discounted Retail Service Plans

B (Airtouch) System rates:

| <u>Plan Name</u> | <u>Airtouch Access</u> | <u>Airtouch Minutes</u> | <u>SD Cellular Access</u> | <u>SD Cellular Minutes</u> | <u>Estimated Annual \$ Savings</u> | <u>Estimated Annual % Savings</u> |
|------------------|------------------------|-----------------------------|---------------------------|-----------------------------|------------------------------------|-----------------------------------|
| Basic Plan | \$35.00 | Peak .40/min Off .20/min | \$26.00 | Peak .33/min Off .17/min | \$221.16 | 25.96% |
| Convenience | \$44.95 | 40 | \$38.00 | 40 | \$83.40 | 15.46% |
| Adv 120 | \$69.95 | 120 | \$60.00 | 120 | \$119.40 | 14.22% |
| Adv 220 | \$98.95 | 220 | \$89.00 | 220 | \$119.40 | 10.06% |
| Adv420 | \$148.95 | 420 | \$139.00 | 420 | \$119.40 | 6.68% |

A (US West) System rates:

| <u>Plan Name</u> | <u>US West Access</u> | <u>US West Minutes</u> | <u>SD Cellular Access</u> | <u>SD Cellular Minutes</u> | <u>Estimated Annual \$ Savings</u> | <u>Estimated Annual % Savings</u> |
|------------------|-----------------------|-----------------------------|---------------------------|-----------------------------|------------------------------------|-----------------------------------|
| Basic Plan | \$35.00 | Peak .40/min Off .20/min | \$26.00 | Peak .33/min Off .17/min | \$221.16 | 25.96% |
| Economy | \$45.00 | 45 | \$35.00 | 45 | \$120.00 | 22.22% |
| Intro Plan | \$62.00 | 100 | \$52.00 | 100 | \$120.00 | 16.13% |
| Time Manager | \$89.00 | 200 | \$79.00 | 200 | \$120.00 | 11.24% |
| Time Maximizer | \$139.00 | 400 | \$129.00 | 400 | \$120.00 | 7.19% |

Summary of Discounts

Weighted average savings= 20.44%
Monthly rate \$10 below carrier.

San Diego

1990's analysis of Airtouch & US West wholesale/retail operations. Source: Ca. PUC

| | <u>1990</u> | | <u>1991</u> | | <u>1992</u> | | <u>1993</u> | | <u>Totals</u> | |
|---------------------------|-----------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|---------------|---------------------|---------------|----------------------|
| | Airtouch | US West | Airtouch | US West | Airtouch | US West | Airtouch | US West | Airtouch | US West |
| Op Rev Whole | \$32,170,000 | \$28,755,000 | \$36,690,000 | \$30,378,000 | \$42,638,000 | \$33,266,000 | \$52,515,000 | \$39,651,000 | \$164,013,000 | \$132,050,000 |
| Op Ex Whole | \$14,246,000 | \$21,725,000 | \$21,589,000 | \$31,031,000 | \$26,319,000 | \$36,767,000 | \$29,174,000 | \$38,005,000 | \$91,328,000 | \$127,528,000 |
| BIT | \$17,924,000 | \$7,030,000 | \$15,101,000 | (\$653,000) | \$16,319,000 | (\$3,501,000) | \$23,341,000 | \$1,646,000 | \$72,685,000 | \$4,522,000 |
| Wholesale Margin | 55.72% | 24.45% | 41.16% | -2.15% | | -10.52% | 44.45% | 4.15% | 44.32% | 3.42% |
| Inc Tax | \$0 | \$2,645,000 | \$0 | \$295,000 | | \$657,000 | \$0 | \$833,000 | \$0 | \$4,430,000 |
| Def Inc Tax | \$0 | \$620,000 | \$0 | (\$215,000) | | \$398,000 | \$0 | \$256,000 | \$0 | \$1,059,000 |
| Net Inc Whole | \$17,924,000 | \$3,765,000 | \$15,101,000 | (\$573,000) | \$16,319,000 | (\$2,446,000) | \$23,341,000 | \$1,069,000 | \$72,685,000 | \$1,815,000 |
| Op Rev Retail | \$28,948,000 | \$27,607,000 | \$35,676,000 | \$29,016,000 | \$44,719,000 | \$31,362,000 | \$54,345,000 | \$38,606,000 | \$163,688,000 | \$126,591,000 |
| Op Ex Retail | \$31,144,000 | \$30,787,000 | \$36,260,000 | \$30,973,000 | \$45,964,000 | \$32,594,000 | \$54,709,000 | \$38,551,000 | \$168,077,000 | \$132,905,000 |
| BIT | (\$2,196,000) | (\$3,180,000) | (\$584,000) | (\$1,957,000) | (\$1,245,000) | (\$1,232,000) | (\$364,000) | \$55,000 | (\$4,389,000) | (\$6,314,000) |
| Inc Tax Retail | \$0 | \$1,515,000 | \$0 | \$886,000 | | \$231,000 | \$0 | \$27,000 | \$0 | \$2,659,000 |
| Def Inc Tax | \$0 | (\$38,000) | \$0 | (\$645,000) | | \$140,000 | \$0 | \$8,000 | \$0 | (\$535,000) |
| Net Inc Retail | (\$2,196,000) | (\$1,703,000) | (\$584,000) | (\$1,716,000) | (\$1,245,000) | (\$861,000) | (\$364,000) | \$36,000 | (\$4,389,000) | (\$4,244,000) |
| Inc Non-cellular | \$1,306,000 | \$6,170,000 | \$1,951,000 | \$4,034,000 | \$2,667,000 | \$2,678,000 | \$4,378,000 | \$3,998,000 | \$10,302,000 | \$16,880,000 |
| Ex Non-cellular | \$1,855,000 | \$6,194,000 | \$2,113,000 | \$4,079,000 | \$4,543,000 | \$2,714,000 | \$7,828,000 | \$3,514,000 | \$16,339,000 | \$16,501,000 |
| Non-cellular Inc | (\$549,000) | (\$24,000) | (\$162,000) | (\$45,000) | (\$1,876,000) | (\$36,000) | (\$3,450,000) | \$484,000 | (\$6,037,000) | \$379,000 |
| Interest Income | | | | | \$1,284,000 | | \$2,408,000 | | \$3,692,000 | \$0 |
| Retail Margin | -8.32% | -8.66% | -1.94% | -5.71% | \$0 | -3.59% | -6.10% | 1.28% | -5.65% | -3.97% |
| | | | | | | | | 179000 | | |
| Total Net Income | \$15,179,000 | \$2,038,000 | \$14,355,000 | (\$2,334,000) | \$14,482,000 | (\$3,343,000) | \$21,935,000 | \$1,768,000 | \$65,951,000 | (\$1,871,000) |
| 4 year Returns: | | | | | | | | | | |
| Airtouch Wholesale | \$72,685,000 | | US West Wholesale | | \$1,815,000 | | | | | |
| Airtouch Retail: | (\$10,426,000) | | US West Retail | | (\$3,865,000) | | | | | |

San Francisco

1990's analysis of Bay Area Cellular & GTE Mobilenet wholesale/retail operations. Source: Ca. PUC

| | 1990 | | 1991 | | 1992 | | 1993 | | Totals | |
|-------------------------|----------------------|---------------------|--------------------|-----------------------|---------------|-----------------------|---------------|----------------------|---------------|-----------------------|
| | Bay Area Cell | GTE Mobilenet | Bay Area Cell | GTE Mobilenet | Bay Area Cell | GTE Mobilenet | Bay Area Cell | GTE Mobilenet | Bay Area Cell | GTE Mobilenet |
| Op Rev Whole | \$86,299,000 | \$75,449,000 | \$105,594,000 | \$97,001,000 | \$130,352,000 | \$176,158,000 | \$156,329,000 | \$115,418,000 | \$478,574,000 | \$464,026,000 |
| Op Ex Whole | \$32,973,000 | \$53,683,000 | \$47,429,000 | \$66,455,000 | \$59,089,000 | \$57,315,000 | \$75,460,000 | \$61,566,000 | \$214,951,000 | \$239,019,000 |
| WT | \$53,326,000 | \$21,766,000 | \$58,165,000 | \$30,546,000 | \$71,263,000 | \$118,843,000 | \$80,869,000 | \$53,852,000 | \$263,623,000 | \$225,007,000 |
| Wholesale Margin | 61.79% | 28.85% | 55.08% | 31.49% | | 67.46% | 51.73% | 46.66% | 55.09% | 48.49% |
| Inc Tax | \$9,136,000 | \$0 | \$17,156,000 | | \$19,613,000 | \$0 | \$31,780,000 | \$0 | \$77,685,000 | \$0 |
| Def Inc Tax | \$12,209,000 | \$0 | \$6,145,000 | | \$9,162,000 | \$0 | \$2,959,000 | \$0 | \$30,475,000 | \$0 |
| Net Inc Whole | \$31,981,000 | \$21,766,000 | \$34,864,000 | \$30,546,000 | \$42,488,000 | \$118,843,000 | \$46,130,000 | \$53,852,000 | \$155,463,000 | \$225,007,000 |
| Op Rev Retail | \$49,695,000 | \$74,441,000 | \$65,672,000 | \$88,173,000 | \$84,149,000 | \$104,254,000 | \$123,594,000 | \$120,901,000 | \$323,110,000 | \$387,769,000 |
| Op Ex Retail | \$52,741,000 | \$72,678,000 | \$66,830,000 | \$86,063,000 | \$82,584,000 | \$176,373,000 | \$122,140,000 | \$117,932,000 | \$324,295,000 | \$453,046,000 |
| WT | (\$3,046,000) | \$1,763,000 | (\$1,158,000) | \$2,110,000 | \$1,565,000 | (\$72,119,000) | \$1,454,000 | \$2,969,000 | (\$1,185,000) | (\$65,277,000) |
| Inc Tax Retail | (\$522,000) | \$0 | (\$341,000) | | \$431,000 | \$0 | \$566,000 | \$0 | \$134,000 | \$0 |
| Def Inc Tax | (\$697,000) | \$0 | (\$122,000) | | \$201,000 | \$0 | \$53,000 | \$0 | (\$565,000) | \$0 |
| Net Inc Retail | (\$1,827,000) | \$1,763,000 | (\$695,000) | \$2,110,000 | \$933,000 | (\$72,119,000) | \$835,000 | \$2,969,000 | (\$754,000) | (\$65,277,000) |
| Inc Non-cellular | \$1,096,000 | \$0 | \$1,033,000 | \$2,736,000 | \$1,255,000 | \$9,113,000 | \$2,935,000 | \$9,508,000 | \$6,319,000 | \$21,357,000 |
| Ex Non-cellular | \$2,757,000 | \$0 | \$1,281,000 | \$10,937,000 | \$2,040,000 | \$3,063,000 | \$4,463,000 | \$14,527,000 | \$10,541,000 | \$28,527,000 |
| Inc Tax Non-Cell | \$261,000 | | | | \$330,000 | | \$651,000 | | | |
| Non-cellular Inc | (\$1,400,000) | \$0 | (\$248,000) | (\$8,201,000) | (\$455,000) | \$6,050,000 | (\$877,000) | (\$5,019,000) | (\$2,980,000) | (\$7,170,000) |
| Interest Income | \$1,006,000 | \$0 | (\$744,000) | | \$32,000 | \$0 | \$672,000 | | \$966,000 | \$0 |
| Retail Margin | -9.27% | 2.37% | -2.11% | -6.70% | 0.91% | -58.28% | -0.06% | -1.57% | -1.64% | -17.71% |
| Total Net Income | \$29,760,000 | \$23,529,000 | \$33,177,000 | \$24,455,000 | \$42,934,000 | \$52,774,000 | \$46,760,000 | \$51,802,000 | \$152,631,000 | \$152,560,000 |
| IACTC Whole: | \$263,623,000 | | GTE Whole: | \$225,007,000 | | | | | | |
| IACTC Retail: | (\$3,734,000) | | GTE Retail: | (\$72,447,000) | | | | | | |

Los Angeles

1990's analysis of Airtouch LA & LACTC wholesale/retail operations. Source: Ca. PUC.

| | <u>1990</u> | | <u>1991</u> | | <u>1992</u> | | <u>Totals</u> | | | |
|---------------------------|-----------------------|----------------------|--------------------------------------|----------------------|--------------------|----------------------|----------------------|-----------------------|-------------------------|--------------------------------|
| | LACTC | Airtouch LA | LACTC | Airtouch LA | LACTC | Airtouch LA | LACTC | Airtouch LA | LACTC | Airtouch LA |
| Op Rev Whole | \$227,743,000 | \$224,077,000 | \$272,683,000 | \$250,053,000 | \$315,928,000 | \$283,592,000 | \$326,746,000 | \$349,180,000 | \$1,143,100,000 | \$1,106,902,000 |
| Op Ex Whole | \$85,029,000 | \$92,067,000 | \$108,459,000 | \$125,542,000 | \$125,059,000 | \$164,724,000 | \$155,351,000 | \$183,231,000 | \$473,898,000 | \$565,584,000 |
| BIT | \$142,714,000 | \$132,010,000 | \$164,224,000 | \$124,511,000 | \$190,869,000 | \$118,868,000 | \$171,395,000 | \$165,949,000 | \$669,202,000 | \$541,338,000 |
| Wholesale Margin | 62.66% | 58.91% | 60.23% | 49.79% | 60.42% | 41.92% | 52.46% | 47.53% | 58.54% | 48.91% |
| Inc Tax | \$57,282,000 | \$0 | \$65,916,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$123,198,000 | \$0 |
| Def Inc Tax | | \$0 | \$0 | \$0 | \$76,611,000 | \$0 | \$68,794,000 | \$0 | \$145,405,000 | \$0 |
| Net Inc Whole | \$85,432,000 | \$132,010,000 | \$98,308,000 | \$124,511,000 | \$114,258,000 | \$118,868,000 | \$102,601,000 | \$165,949,000 | \$400,599,000 35.04% | \$541,338,000 48.91% |
| Op Rev Retail | \$46,054,000 | \$169,933,000 | \$69,797,000 | \$220,380,000 | \$91,385,000 | \$277,216,000 | \$122,090,000 | \$357,884,000 | \$329,326,000 | \$1,025,413,000 |
| Op Ex Retail | \$27,249,000 | \$171,168,000 | \$42,340,000 | \$218,204,000 | \$75,646,000 | \$283,247,000 | \$97,931,000 | \$370,667,000 | \$243,166,000 | \$1,043,286,000 |
| BIT | \$18,805,000 | (\$1,235,000) | \$27,457,000 | \$2,176,000 | \$15,739,000 | (\$6,031,000) | \$24,159,000 | (\$12,783,000) | \$86,160,000 | (\$17,873,000) |
| Inc Tax Retail | \$7,547,000 | \$0 | \$11,021,000 | \$0 | \$6,317,000 | \$0 | \$9,697,000 | \$0 | \$34,582,000 | \$0 |
| Def Inc Tax | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Inc Retail | \$11,258,000 | (\$1,235,000) | \$16,436,000 | \$2,176,000 | \$9,422,000 | (\$6,031,000) | \$14,462,000 | (\$12,783,000) | \$51,578,000 | (\$17,873,000) |
| Inc Non-cellular | \$21,204,000 | \$4,685,000 | \$18,185,000 | \$8,519,000 | \$35,415,000 | \$12,399,000 | \$50,727,000 | \$16,254,000 | \$125,531,000 | \$41,857,000 |
| Ex Non-cellular | \$20,041,000 | \$8,526,000 | \$17,073,000 | \$9,057,000 | \$34,869,000 | \$14,426,000 | \$51,183,000 | \$22,253,000 | \$123,166,000 | \$54,282,000 |
| Non-cellular Inc | \$1,163,000 | (\$3,841,000) | \$1,112,000 | (\$538,000) | \$546,000 | (\$2,028,000) | (\$456,000) | (\$5,999,000) | \$2,365,000 | (\$12,406,000) |
| Interest Income | | | | | | | | | \$0 | \$0 |
| Retail Margin | 29.69% | -2.91% | 32.47% | 0.72% | 12.84% | -2.78% | 13.72% | -5.02% | 19.46% | -2.84% |
| Total Net Income | \$97,853,000 | \$126,934,000 | \$115,856,000 | \$126,149,000 | \$124,226,000 | \$110,808,000 | \$116,607,000 | \$147,167,000 | \$454,542,000 | \$511,058,000 |
| 4 year Returns: | | | | | | | | | | |
| Airtouch Wholesale | \$541,338,000 | | LACTC Whole: \$400,599,000 | | | | | | | |
| Airtouch Retail: | (\$30,279,000) | | LACTC Retail: \$53,943,000 ** | | | | | | | |

**LACTC positive retail is due to retail costs of goods sold=0!

BAY AREA

Cellular Service- Bay Area Discounted Retail Service Plans

B (GTE) System rates:

| <u>Plan Name</u> | <u>GTE Access</u> | <u>GTE Minutes</u> | <u>PCS,Inc Access</u> | <u>PCS,Inc Minutes</u> | <u>Estimated Annual \$ Savings</u> | <u>Estimated Annual % Savings</u> |
|------------------|-------------------|--------------------|-----------------------|------------------------|------------------------------------|-----------------------------------|
| Safety | \$27.95 | 0 | \$27.95 | 0 | \$0.00 | 0.00% |
| Economy | \$46.95 | 30 | \$45.00 | 30 | \$23.40 | 4.15% |
| Standard | \$74.95 | 110 | \$71.00 | 110 | \$47.40 | 5.27% |
| Universal | \$109.95 | 225 | \$105.00 | 225 | \$59.40 | 4.50% |
| Professional | \$146.95 | 375 | \$141.50 | 375 | \$65.40 | 3.71% |
| Executive | 196.95 | 520 | \$188.50 | 520 | \$101.40 | 4.29% |

A (BACTC) System rates:

| <u>Plan Name</u> | <u>BACTC Access</u> | <u>BACTC Minutes</u> | <u>PCS,Inc Access</u> | <u>PCS,Inc Minutes</u> | <u>Estimated Annual \$ Savings</u> | <u>Estimated Annual % Savings</u> |
|------------------|---------------------|----------------------|-----------------------|------------------------|------------------------------------|-----------------------------------|
| Security | \$29.99 | 5 | \$30.00 | 5 | \$221.16 | 25.96% |
| Occasional | \$49.99 | 30 | \$56.00 | 50 | \$35.88 | 5.90% |
| Standard | \$79.99 | 110 | \$76.00 | 110 | \$47.88 | 4.99% |
| Value | \$119.99 | 250 | \$109.00 | 250 | \$131.88 | 9.16% |
| Advantage | \$159.99 | 400 | \$142.00 | 400 | \$215.88 | 11.24% |
| Premium | \$199.99 | 520 | \$177.00 | 520 | \$275.88 | 11.50% |

Summary of Discounts

Weighted average savings= 9.32%